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26 April 1961

MEMORANDUM FOR : Deputy Director (Plans)
 THROUGH : Acting Chief, DP Division SWD
 SUBJECT : CORONA Program Status

1. This memorandum is for your information.

2. Meetings were held in Palo Alto on 12-14 April with representatives of Headquarters, BMD, Office of the Under Secretary of the Air Force, Lockheed, GE, and ITEK. Additional meetings were held last week with the contractors on contracting details for the 1962 CORONA stereo program, now known as Project MURAL. This program is defined now as one engineering shot to be launched this winter followed by five operational shots in the summer of 1962.

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3. A review of program costs was held with Dr. Charyk on 14 April. At that time his conclusion was that the over-all program should not become completely firm due to an approximately [] increase over initially forecasted costs for procurement of THOR and CORONA vehicles. Since that time, BMD has reduced the forecasted white costs by approximately []. It is expected that a firm "go-no-go" decision will be made by Dr. Charyk this week. The total program, black and white, will amount to just under []. The black procurement, which BPD is handling, amounts to approximately [] to Lockheed, []. The fiscal breakdown is approximately [] to GE, totalling just under [] in FY 1961 [] in FY 1962, and the remainder in FY 1963. Eastman has forecasted [] support costs; however, this presumes six complete successes.

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4. Although the future of the MURAL program was uncertain, it was decided by Dr. Charyk that the black negotiation would proceed on the assumption that MURAL will become firm. BPD negotiations with GE and ITEK were on the basis of associate contractor relations and fixed price. None of the contract negotiations have reached the final stages yet.

5. [] presented a review of the detailed operations which take place on the launch pads. In accordance with your and Dr. Charyk's wishes to be informed on these individual items, such particular checkout operation and the length of time required was discussed. By reducing

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redundant checking procedures it appears that the missile assembly building checkout process can be eliminated at some slight increase in the risk of discovering last minute troubles on the launch pad. A major effort is underway to make as many of the checkout procedures as possible at Sunnyvale prior to shipment of the vehicles to Vandenberg.

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6. As a result of this analysis, [] agrees that a pad turn-around planning factor of 35 days can be established. This includes approximately one week of time to correct the unforeseeable troubles which are always encountered. This represents a major concession on the part of [] from his previously strongly held view that 6 weeks should be the appropriate time interval for successive launches off a single pad.

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7. A vehicle launch schedule was proposed by Lockheed which is not agreeable from our standpoint in that, where we had hoped to launch six C Triple Prime, 1 C Prime and 2 ARGON shots between now and early September, the Lockheed suggested schedule calls for only four C Triple Prime launches, one C Prime and four ARGON shots in the same period. The schedule is not now accepted and will require joint discussions with Lockheed, IIEK and representatives of the Office of the Under Secretary of the Air Force and ourselves in the immediate future.

8. Lockheed has proposed a time span of 65 days from receipt of payload to launch, which is a considerable increase over their own previous planning factor of approximately 50 days. This is under reexamination.

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9. The most disturbing factor which became apparent was a Parkinson type attitude and was crystallized in a remark by [] to the effect that the CORONA/ARGON program was no longer a "Skunk Works" operation. There was considerable Lockheed management pressure to eliminate overtime and the program had apparently been cited as an example of how not to properly conduct their business. They are now preparing for construction of the new building which LMSC will lease from [] and have presented a forecast of personnel requirements for the next year which will go over [] individuals during the peak next summer. During the first year of the CORONA program, less than [] people were working at the [] and nine launches were accomplished. In 1960 there were approximately [] people in that facility and 12 vehicles were launched. Although an increase in total personnel is unavoidable in order to accommodate the MIRAL program, it is evident that people working in the [] are not particularly infected by a sense of urgency and are becoming divided into highly specialized teams according to the various payloads to be used.

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10. Other than the security control which is exerted in this program by this agency, the principal contribution we have to make is adherence to the "Skunk Works" philosophy of doing business. It is apparent that we are no longer on this basis. The reason may be that Lockheed refuses to operate in this fashion, that the combination of Lockheed and B&G render it difficult to impossible to maintain this philosophy of management, or that at this stage of the age of satellites a program cannot be both successful and managed in this fashion. I would suggest very strongly that if at all possible you and Dr. Cherryk together should see [redacted] in order to emphasize to them the necessity and desirability of a program run on an austere basis. It is obvious to me that people at lower levels in Lockheed management are either unwilling or unable to make any serious effort to return to the "Skunk Works" management philosophy. In the event that [redacted] are not receptive to this suggestion, it would appear in our best interests to withdraw from any semblance of project management in an orderly fashion with due consideration of matters of security and operation.

SIGNED /
EUGENE P. KIEPER
SA/TA/DPD-DD/P

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